

Personal Income Flow by States in 1960

General Regional Expansion Over 1959

CONSUMER income rose in every State last year. New highs were recorded in each of the 50 States and the District of Columbia, despite the downturn in economic activity toward the yearend.

For the country as a whole, personal income was at a new high of \$402 billion in 1960—\$21 billion, or 5 percent, above that in 1959. Even after allowance for a rise in consumer prices, real purchasing power of individuals was up both nationally and regionally.

Per capita incomes too set records in nearly every State. For the Nation, income per person amounted to \$2,242, or about 4 percent more than the 1959 figure of \$2,159. The accompanying map indicates geographic differences in income, and groups the States into four categories. Average incomes varied from a high of more than \$3,000 to a low of about \$1,200. Most noticeable feature of the income distribution is the concentration of high income States in the Mideast and Far West, where incomes averaged nearly one-fifth above that in the country as a whole.

Relative changes in the income flow from 1959 to 1960 exhibited a considerable degree of geographic uniformity. (See table 1.) In approximately half of the States, the rate of change differed from that in the Nation as a whole by no more than 1 percentage point. In only four States did the rise differ substantially from the national average: The gains in two of these were very slight; in the other two, where incomes had been unusually low

in 1959 because of special factors, there were increases of a fifth.

Regional income gains

The relative uniformity of changes in the pace of economic activity throughout the country resulted in dollar gains that were generally proportionate to the economic size of the States and regions. Consumer incomes rose \$5½ billion in the populous, high-income Mideast. New York accounted for \$3 billion of the increase and Pennsylvania for over \$1 billion. Second in magnitude was the \$4-billion rise in the industrialized Great Lakes States, where Michigan, Ohio, and Illinois each had an advance of \$1 billion from 1959 to 1960. Personal incomes expanded \$3½ billion in the Far West, with nearly \$3 billion of this accruing to residents of California.

In the other five regions, income rises ranged from one-half billion dollars in the Rocky Mountain Area to nearly \$3 billion in the Southeast. In these States, generally of a smaller and more uniform economic size, most changes ranged between \$100 million and \$500 million. Texas and Massachusetts proved exceptions as aggregate income

in each moved ahead two-thirds billion and three-fourths billion, dollars respectively.

State changes vary

In relative terms, the sharpest differentials in income change in 1960 occurred in States where one or two income sources are the dominant factors in the economy. This was the case in North Dakota and South Dakota, where especially large increases in farm income following a poor year in 1959 pushed consumer incomes up one-fifth and one-fourth, respectively. Similarly, Alaska's rise of 12 percent reflected mainly sizable increases in manufacturing (salmon canning) and communications (for national security).

Income expansions of one-tenth—approximately double the national rate—occurred in Arizona, Hawaii, and Nevada. In each, the increase stemmed from pervasive economic growth, as the progress that has characterized these States in recent years continued.

In contrast to the sizable gains listed above, the rise of total income in Iowa and New Mexico was limited to 1 or 2 percent with lower farm income primarily responsible for dampening the performance in these States.

Income Changes in 1960 by States

THE State estimates of personal income included here for 1960 are preliminary. The regular series, based on more complete data and adjusted to any revisions of the currently published

national totals, will be presented in the usual industrial-source and type-of-income detail in the August 1961 issue of the SURVEY OF CURRENT BUSINESS.

The preliminary estimates of total

and per capita personal income by States and regions are contained in table 2. The per capitas for each year of the 1950-59 period, also shown in table 2, take into account the intercensal population estimates of the Bureau of the Census. These figures will be published shortly, in the

Table 1.—Changes in Total and Per Capita Personal Income, by States and Regions, 1959-60

State and region	Percent change, 1959-60		Percent of United States	
	Total personal income	Per capita personal income	Total personal income	Per capita personal income
United States.....	5	4	100.00	100
New England.....	6	4	0.33	111
Maine.....	3	6	.46	84
New Hampshire.....	7	6	.32	94
Vermont.....	7	5	.18	84
Massachusetts.....	6	5	3.28	114
Rhode Island.....	3	3	.47	99
Connecticut.....	6	4	1.23	128
Midwest.....	5	4	25.27	117
New York.....	6	5	11.05	127
New Jersey.....	6	4	4.08	120
Pennsylvania.....	5	4	0.45	102
Delaware.....	6	3	.35	138
Maryland.....	6	4	1.87	108
District of Columbia.....	3	4	.57	134
Great Lakes.....	5	4	21.72	107
Michigan.....	6	4	4.06	108
Ohio.....	5	3	5.74	108
Indiana.....	6	4	2.50	98
Illinois.....	4	3	0.47	118
Wisconsin.....	4	3	2.15	97
Plains.....	6	5	3.80	93
Minnesota.....	7	5	1.77	93
Iowa.....	1	1	1.30	88
Missouri.....	4	3	2.39	89
North Dakota.....	18	18	.20	81
South Dakota.....	28	28	.35	86
Nebraska.....	7	5	.74	94
Kansas.....	5	5	1.12	92
Southeast.....	5	3	15.50	72
Virginia.....	5	4	1.86	83
West Virginia.....	3	4	.78	76
Kentucky.....	4	4	1.18	88
Tennessee.....	4	4	1.30	70
North Carolina.....	7	5	1.80	71
South Carolina.....	7	6	1.84	63
Georgia.....	6	4	1.44	73
Florida.....	6	1	2.43	87
Alabama.....	5	1	1.20	66
Arkansas.....	3	2	.85	53
Mississippi.....	3	1	1.38	73
Louisiana.....	3	3	.91	61
Arkansas.....	3	3	.91	61
Southwest.....	4	2	3.31	66
Oklahoma.....	5	3	1.08	83
Texas.....	4	2	4.06	87
New Mexico.....	2	-1	.43	80
Arizona.....	9	4	.66	88
Rocky Mountain.....	4	4	2.27	84
Montana.....	3	1	.34	80
Idaho.....	3	1	.30	81
Wyoming.....	5	4	.10	101
Colorado.....	8	6	1.01	103
Utah.....	7	4	.48	88
Pac West.....	7	4	23.74	116
Washington.....	5	4	1.06	104
Oregon.....	5	4	1.01	102
Nevada.....	9	6	.20	127
California.....	7	3	10.87	123
Alaska.....	12	8	.15	121
Hawaii.....	9	5	.35	98

Sources: U.S. Department of Commerce, Office of Business Economics.

Bureau's CURRENT POPULATION REPORTS, P-25 series. The averages for 1960 are based on provisional population estimates of the Census Bureau, also to be published shortly, and OBE's preliminary income totals.

In comparing regional income changes from 1959 to 1960, it should be kept in mind that the year 1959 was marked by two contrasting developments: Recovery from the 1957-58 recession, and an economic slowdown associated with the steel strike. Income change in 1960 was to some extent also irregular. The opening months were characterized by sharp recovery from the steel strike. A gradual leveling off in the flow of personal income marked most of the remainder of the year; and this was followed by a decline in the closing months.

These foregoing developments affected the comparative income totals for the 2 years in a complex fashion. Moreover, the State measures presented here do not reveal the varied economic experiences of particular local areas.

National developments

As in the past, the major factors making for shifts in the geographic distribution of income last year were national in scope, and impinged with varying force on the particular income structures of individual States and regions.

From a national standpoint, income paid out by trade and service establishments and by Federal, State, and local governments formed the most buoyant elements in the income flow last year. Earnings of individuals in manufacturing were up moderately, but did not advance quite so much in relative terms as did other industrial income flows. A still more limited rate of gain—around 2 percent—was recorded in farm income. This was one of the smallest percent rises shown for any major industry division.

Largest State variations in rates of change occurred in farm income, where the relative shifts ranged from sizable declines to a more than doubling of the 1959 volume. The differences which characterized manufacturing were smaller but substantial. These reflected mainly the type of factory ac-

tivity predominant in the States' industrial structures. The effect of national and State shifts in the various industries are summarized briefly in the following sections.

New England

The New England States as a whole traced a better economic record in 1960 than did the Nation generally, with consumer incomes rising at a little faster rate than in all States combined. The individual States of the region shared in these gains, except in Rhode Island where a decline in military payrolls and limited increases in factory wages and salaries—as textile payrolls were cut—held the growth of overall income to less-than-average proportions.

Elsewhere in New England, gains in total factory payrolls matched those in the Nation as production of machinery and transportation equipment excluding autos each increased at above-average rates. In other industries, wages and salaries paid out by distributive and service activities as well as in contract construction expanded relatively more than did their national counterparts.

For a considerable period the increase in average income in this area lagged behind the rise in the nationwide average. In 1929, per capita income in New England was 25 percent above the national average; by the early 1950's, it was only 10 percent higher than in the country as a whole. The relative decline has since been checked, and in 1960 the margin by which per capita income in New England exceeded the national figure was a little more than in 1950.

Midwest

Last year aggregate income in the Midwest—the Nation's largest and most concentrated market area—exceeded \$100 billion, one-fourth the national total.

Of the \$5½-billion income gain recorded in 1960, more than half stemmed from three industries. Income paid out by the numerous trading enterprises and service establishments in the area contributed \$2 billion of the rise, while earnings of persons engaged in manufacturing accounted for another

billion. In that portion of the region included in the Second Federal Reserve District (largely New York), department store sales scored the largest 1959-60 gains in the Nation. The income rise of last year pushed average incomes to a high of more than \$2,600, a figure one-fifth above the national average and exceeded only slightly by the per capita in the Far West.

Among individual States there was general conformity to the region's pattern of income expansion. The principal exception occurred in Pennsylvania where there was a continuation of the secular decline in the State's coal industry, and where most other

income flows increased at below-average rates. In the District of Columbia a small decline in Federal income disbursements limited the advance in overall income.

Great Lakes

State-to-State uniformity in rates of income change in 1960 was most pronounced in the Great Lakes area. Such variations as did occur stemmed mainly from differential changes in manufacturing activity in this heavily industrialized region.

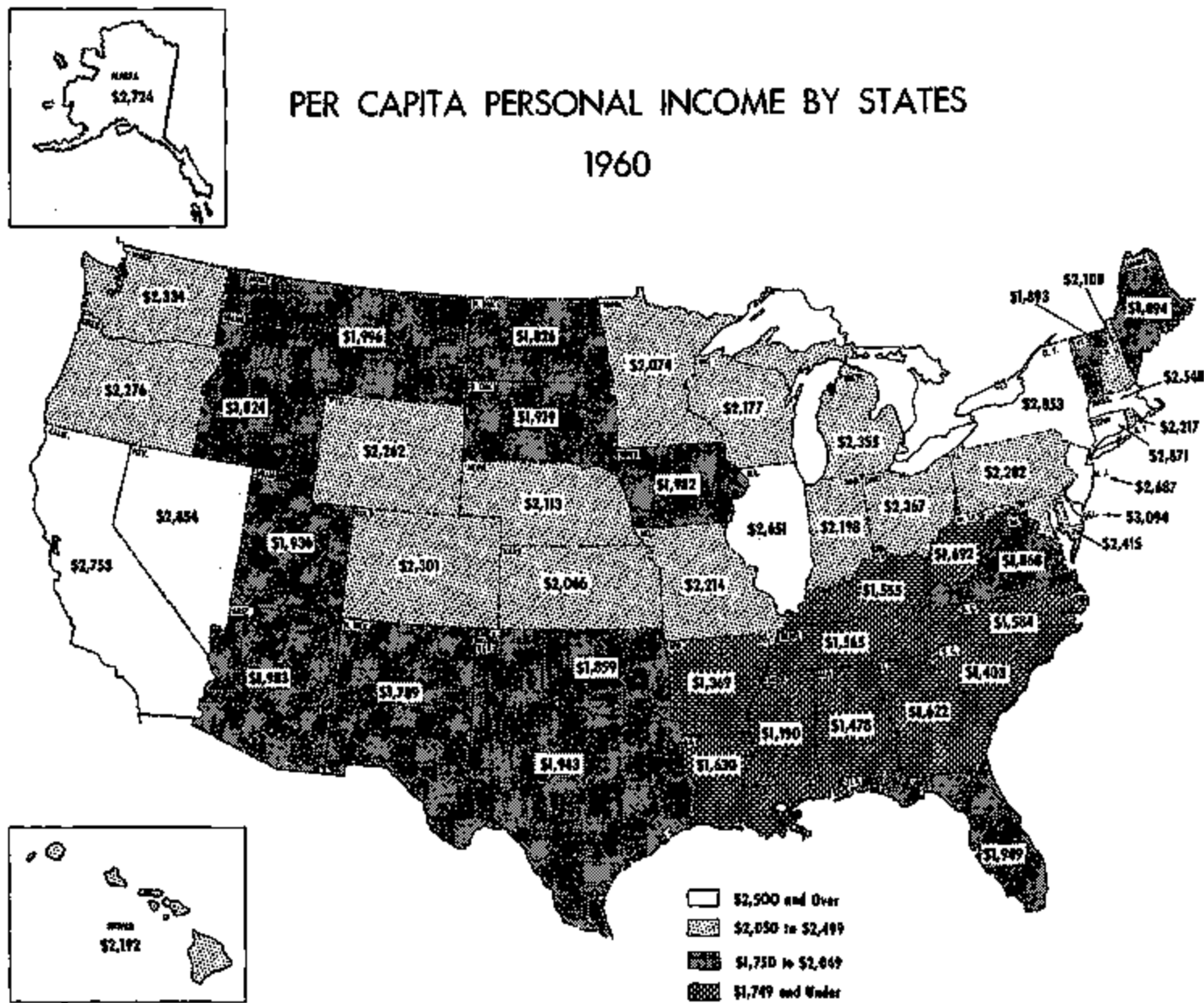
Factory payrolls accounted for about two-fifths of Michigan's billion-dollar income advance, and partially made

up for the smallness of the increase in other income components. The manufacturing upturn reflected the strong pickup in automotive production in early 1960 after the strike-induced reductions of 1959. In this connection it should be noted that the production cuts of the final quarter of 1960 had only a limited effect on the 1959-60 calendar-year rates of change.

The lesser income growth experienced in Ohio, Illinois, and Wisconsin was due primarily to the limited scope of the manufacturing advance here. In each, durable goods production declined or showed only small gains over 1959. In these States earnings of persons

PER CAPITA PERSONAL INCOME BY STATES

1960



engaged in manufacturing rose only 2 percent from 1959 to 1960.

Though for Wisconsin agriculture is of lesser importance than manufacturing as an income source, the decline of more than one-tenth in farm income was a key factor in the State's below-average growth. Nonfarm income, by contrast, matched the relative move throughout the country generally, as substantial gains in mining and construction supplemented the limited rise in factory payrolls.

Plains

Income developments in the Plains States in 1960 bear the clear imprint of farming, the most volatile of major industries. Income from agriculture more than doubled in the two Dakotas last year. This expansion, in part a recovery from the 1959 downturn, reflects substantial increases in the production of wheat, oats, and other field crops. Farm income dropped in Iowa, in contrast, and overall income showed the smallest relative gain of any State.

Nonfarm income gains in the Plains States were generally similar to those in the country as a whole, although the unusually large shifts in the farm category visibly affected the nonfarm flows of individual States.

Significant changes in nonfarm industries in this agricultural area were numerous. Mining activity was up in Minnesota as iron ore shipments almost doubled the strike-affected volume of 1959. Earnings of construction workers in South Dakota and Nebraska extended their sizable advances of the preceding year. Manufacturing production was up in Minnesota, Missouri, and Nebraska, reflecting the general maintenance of consumer demand for nondurable goods produced from the farm products of the region.

Southeast

Personal incomes moved up nearly \$3 billion in the Southeast last year, the relative rise matching the national

average. For the region as a whole, most income sources expanded at a rate a little below the national average, but a somewhat better-than-average gain in manufacturing provided an approximate offset.

Among individual States, there was a moderate degree of variation in the pace of income growth. In West Virginia, Mississippi, Louisiana, and Arkansas, incomes rose 3 percent as economic activity generally expanded at below-average rates. Moreover, in West Virginia earnings of persons engaged in mining continued their secular decline of recent years; and Mississippi and Arkansas experienced a drop in cotton production.

North Carolina and South Carolina posted favorable income records in 1960. In the former, a spurt in farm income provided the main impetus. In South Carolina, most private nonfarm industries recorded above-average gains for the second successive year, with increases in construction, manufacturing, and the service industries being dominant.

Southwest

Largely because of the unfavorable experience of agriculture and mining, two mainstays of the Southwest, aggregate income in the area as a whole showed the smallest relative increase from 1959 to 1960. Farm income experienced a substantial drop, while the production of oil and gas held at about the same volume in 1960 as in 1959. Most other industries lagged a little behind national rates.

Income developments in Arizona stand in contrast with those in the region as a whole. Personal income rose nearly one-tenth in 1960, extending the State's postwar record as one of the fastest growing areas in the Nation. Among major income sources only Federal disbursements and farm income failed to record above-average gains, and the relative increase in private nonfarm income was more than double that for the country as a whole.

Rocky Mountain

This region is second only to the Plains in its dependence on agriculture, and farm income exerted primary influence on overall income expansion last year. Income from agriculture was down in 1960 in all States except Colorado, as cash receipts from marketings of cattle and wheat declined. In every State nonfarm income showed considerably more buoyancy.

The 1960 decline of farm income in this region was the second in succession. Over the 2 years since 1958, income from agriculture has fallen almost one-fourth—a relative reduction twice as sharp as that recorded for the country as a whole. This has had a particularly dampening effect on total income growth in Montana and Idaho, where farming is especially important as an income source.

Far West

In relative terms the States of this region scored the largest income increase in the Nation last year. This top-ranking advance stemmed from somewhat better-than-average gains in nearly every major industry. Most important were the expansions of one-tenth in the earnings of persons engaged in trade and in service activities.

The Far West's regional income record in 1960 is dominated by developments in California, which accounts for four-fifths of all income in the area. However, there were significant changes in the other States as well. Earnings in Nevada's tourist-oriented service industries registered one of the largest upturns in the country and were primarily responsible for the State's second-ranking position (after Alaska) in the rate of nonfarm income gain. The flow of personal income in Washington and Oregon was held to average proportions by the decline in lumber manufactures in both States and by the limited size of the advance in aircraft production in Washington. In both, total factory payrolls were about the same in 1960 as in 1959.

Table 2.—Total and Per Capita Personal Income, by States and Regions, Selected Years

State and region	Total personal income (millions of dollars)			Per capita personal income (dollars)										
	1959	1959	1959	1959	1959	1959	1959	1959	1959	1959	1959	1959	1959	1959
United States ¹	357,542	398,654	481,587	1,491	1,648	1,727	1,788	1,770	1,948	1,976	2,038	2,064	2,180	2,252
New England	22,341	24,728	26,351	1,628	1,823	1,908	1,968	1,988	2,076	2,114	2,298	2,298	2,282	2,489
Maine	1,042	1,113	1,244	1,188	1,300	1,427	1,431	1,431	1,575	1,614	1,686	1,726	1,785	1,894
New Hampshire	1,105	1,200	1,254	1,314	1,472	1,527	1,570	1,614	1,712	1,771	1,838	1,887	1,948	2,106
Vermont	545	594	740	1,185	1,328	1,390	1,424	1,448	1,522	1,612	1,680	1,697	1,785	1,894
Massachusetts	11,977	12,340	13,167	1,862	1,940	1,910	1,867	1,930	2,085	2,225	2,322	2,351	2,435	2,517
Rhode Island	1,729	1,837	1,900	1,614	1,815	1,818	1,898	1,894	1,990	1,999	1,954	2,067	2,161	2,271
Connecticut	6,508	6,904	7,315	1,908	2,090	2,232	2,408	2,361	2,459	2,718	2,813	2,709	2,787	2,871
Midwest	90,233	96,894	101,473	1,761	1,914	1,991	2,076	2,051	2,183	2,205	2,398	2,412	2,518	2,628
New York	43,157	45,163	48,000	1,683	2,002	2,070	2,147	2,101	2,270	2,420	2,542	2,470	2,714	2,835
New Jersey	15,442	16,420	16,967	1,762	2,000	2,114	2,210	2,211	2,304	2,420	2,535	2,461	2,689	2,807
Pennsylvania	22,588	24,732	25,654	1,500	1,734	1,734	1,902	1,919	1,918	2,085	2,140	2,134	2,301	2,322
Delaware	1,215	1,314	1,359	2,153	2,385	2,384	2,610	2,478	2,718	2,680	2,863	2,818	2,983	3,094
Maryland	6,601	7,308	7,520	1,888	1,707	1,884	1,937	1,924	1,962	2,109	2,220	2,240	2,320	2,415
District of Columbia	2,120	2,210	2,287	2,108	2,244	2,411	2,279	2,244	2,434	2,814	2,908	2,768	2,881	3,006
Great Lakes	78,108	83,176	87,345	1,581	1,872	1,945	2,063	1,969	2,094	2,297	2,308	2,301	2,519	2,602
Michigan	10,581	17,493	18,483	1,664	1,865	1,946	2,134	2,007	2,178	2,320	2,345	2,340	2,550	2,585
Ohio	20,527	21,979	22,067	1,814	1,967	1,964	2,018	1,924	2,051	2,183	2,245	2,183	2,357	2,377
Indiana	9,122	9,713	10,278	1,621	1,695	1,750	1,812	1,787	1,802	1,985	2,029	1,985	2,104	2,188
Illinois	24,223	25,734	26,807	1,827	2,035	2,045	2,197	2,176	2,372	2,440	2,505	2,451	2,632	2,671
Wisconsin	7,548	8,243	8,628	1,467	1,697	1,780	1,784	1,709	1,804	1,908	1,900	1,960	2,109	2,177
Plains	29,354	30,323	32,128	1,468	1,530	1,587	1,614	1,656	1,644	1,743	1,835	1,835	1,985	2,082
Minnesota	8,484	9,080	9,704	1,207	1,333	1,379	1,478	1,448	1,570	1,710	1,760	1,835	1,945	2,074
Iowa	5,258	5,368	5,473	1,447	1,664	1,655	1,648	1,700	1,887	1,852	1,884	1,925	1,905	1,982
Missouri	8,644	9,248	9,640	1,443	1,602	1,601	1,715	1,708	1,706	1,804	1,861	1,859	2,158	2,214
North Dakota	1,069	972	1,148	1,200	1,322	1,225	1,240	1,287	1,388	1,458	1,485	1,715	1,550	1,635
South Dakota	1,152	1,030	1,208	1,213	1,416	1,344	1,348	1,378	1,276	1,300	1,400	1,467	1,502	1,618
Nebraska	2,750	2,797	2,688	1,416	1,568	1,670	1,602	1,700	1,630	1,650	1,832	1,840	1,885	2,113
Kansas	4,214	4,200	4,499	1,374	1,515	1,716	1,857	1,692	1,692	1,720	1,800	1,968	1,950	2,086
Southwest	56,027	59,908	62,844	1,009	1,127	1,194	1,237	1,232	1,323	1,402	1,446	1,463	1,585	1,617
Virginia	6,600	7,038	7,430	1,222	1,399	1,475	1,484	1,608	1,671	1,647	1,671	1,706	1,798	1,886
West Virginia	2,690	3,083	3,447	1,095	1,231	1,200	1,367	1,265	1,571	1,647	1,630	1,674	1,681	1,682
Kentucky	4,330	4,548	4,738	1,048	1,201	1,203	1,310	1,310	1,521	1,521	1,428	1,430	1,600	1,628
Tennessee	6,028	6,282	6,591	1,005	1,080	1,132	1,218	1,206	1,207	1,355	1,401	1,437	1,512	1,585
North Carolina	6,818	6,777	7,280	1,059	1,115	1,152	1,178	1,205	1,270	1,351	1,345	1,420	1,504	1,586
South Carolina	2,024	2,148	2,258	881	1,045	1,117	1,141	1,081	1,147	1,148	1,210	1,248	1,268	1,328
Georgia	6,673	6,621	6,907	1,018	1,121	1,201	1,220	1,236	1,332	1,402	1,418	1,418	1,558	1,622
Florida	8,267	8,273	8,744	1,288	1,375	1,467	1,535	1,535	1,602	1,671	1,671	1,680	1,820	1,949
Alabama	4,579	4,607	4,835	897	966	1,044	1,054	1,082	1,190	1,258	1,325	1,360	1,422	1,478
Mississippi	2,286	2,326	2,505	729	783	846	880	882	984	989	992	1,063	1,100	1,160
Louisiana	4,853	5,169	5,320	1,068	1,173	1,213	1,258	1,301	1,387	1,401	1,405	1,501	1,512	1,680
Arkansas	2,162	2,470	2,467	505	606	606	606	1,041	1,067	1,138	1,148	1,214	1,235	1,340
Southwest	24,838	25,348	27,346	1,386	1,419	1,498	1,520	1,543	1,615	1,702	1,772	1,817	1,883	1,922
Oklahoma	3,064	4,138	4,398	1,130	1,283	1,402	1,470	1,466	1,528	1,595	1,641	1,741	1,798	1,836
Texas	17,126	18,041	18,683	1,380	1,483	1,523	1,549	1,585	1,645	1,732	1,819	1,839	1,905	1,943
New Mexico	1,564	1,681	1,774	1,103	1,290	1,315	1,361	1,388	1,434	1,487	1,516	1,719	1,811	1,789
Arizona	2,203	2,388	2,613	1,207	1,561	1,828	1,610	1,604	1,690	1,810	1,800	1,866	1,994	1,953
Rocky Mountain	8,169	8,676	9,169	1,428	1,644	1,699	1,667	1,832	1,791	1,793	1,884	1,966	2,016	2,101
Montana	1,242	1,316	1,363	1,006	1,171	1,288	1,296	1,447	1,502	1,502	1,634	1,621	1,675	1,896
Idaho	1,127	1,187	1,224	1,279	1,440	1,574	1,400	1,404	1,618	1,654	1,747	1,747	1,824	1,824
Wyoming	676	707	781	1,020	1,084	1,228	1,254	1,294	1,318	1,318	1,412	1,412	1,475	1,622
Colorado	3,406	3,737	4,048	1,446	1,720	1,761	1,714	1,673	1,768	1,881	1,980	2,070	2,174	2,261
Utah	1,616	1,680	1,740	1,263	1,458	1,604	1,696	1,600	1,536	1,645	1,743	1,773	1,884	1,986
Far West	47,321	51,740	55,189	1,785	1,975	2,068	2,103	2,068	2,210	2,326	2,397	2,423	2,562	2,686
Washington	8,977	9,363	9,874	1,871	1,916	1,969	1,965	1,962	1,981	2,040	2,128	2,148	2,264	2,334
Oregon	3,828	3,842	4,036	1,602	1,757	1,827	1,898	1,707	1,857	1,980	1,969	2,063	2,188	2,270
Nevada	665	782	822	1,035	1,183	1,265	1,303	1,303	1,425	1,480	1,513	1,575	1,695	1,854
California	37,131	40,783	43,837	1,848	2,087	2,120	2,185	2,184	2,287	2,424	2,500	2,618	2,600	2,753
Alaska	227	558	691	2,240	2,677	2,474	2,387	2,201	2,282	2,401	2,386	2,474	2,627	2,724
Hawaii	1,168	1,290	1,407	1,403	1,562	1,478	1,740	1,701	1,780	1,825	1,877	1,914	2,081	2,182

¹ Excluding Alaska and Hawaii.

Source: U.S. Department of Commerce, Office of Business Economics.